CLAIMS

What is claimed is:

1. A method of supporting at least two different investor groups with different maximum leverage ratios in one investment fund, wherein each investor group has an associated tracking account, the method comprising:

establishing one or more contractual arrangements between investors of the investor groups, the investment fund and an external lender, wherein the contractual arrangements limit the recourse of the external lender to fund assets allocable to investors of an investor group if the tracking account associated with the investor group triggers a margin call on a loan from the external lender, and wherein loan proceeds from the external lender and contributions from each investor of the fund are invested through a trading account associated with the investment fund; and

calculating an allocation percentage of the trading account for each investor group to account for profits and losses of the trading account over the trading cycle based on the leverage ratio of each investor group.

2. The method of claim 1, wherein the investment fund is a hedge fund.

3. The method of claim 1, wherein the end of the trading cycle coincides with the end of a subscription/redemption cycle of the investment fund.

4. The method of claim 1, wherein the external lender is a prime broker for the investment fund.

5. The method of claim 1, wherein calculating the allocation percentage comprises:

determining an initial percentage allocation of the trading fund for each tracking account at the start of the trading cycle;

apportioning profits and losses of the trading account over the trading cycle to each tracking account based on the initial percentage allocation;

determining a revised contribution amount for each tracking account based on the apportioned profits and losses; and

calculating the allocation percentage of the trading account based on the revised contribution amounts for each tracking account.

6. The method of claim 5, wherein calculating the allocation percentage of the trading account based on the revised contribution amounts for each tracking account comprises:

for each tracking account, multiplying the revised contribution amount by the maximum leverage ratio for each tracking account to determine a leveraged contribution for each tracking account;

summing the leveraged contribution for each tracking account; and

for each tracking account, dividing the leveraged contribution for the tracking account by the sum of the leveraged contributions for each tracking account.

7. The method of claim 6, further comprising, when one of the tracking accounts triggers a margin call from the external lender during the trading cycle, the investors of the tracking account on call contributing additional capital to the fund.

8. The method of claim 7, further comprising, calculating the allocation percentage of each tracking account intra-cycle, prior to the investors of the tracking account on call contributing additional capital to the fund.

9. The method of claim 6, further comprising, when one of the tracking accounts triggers a margin call from the external lender during the trading cycle, the fund liquidating assets from the trading account.

10. The method of claim 6, further comprising, when one of the tracking accounts triggers a margin call from the external lender during the trading cycle, calculating, prior to the end of the trading cycle, the allocation percentage of the trading account for each investor group.

11. A method for determining an allocation percentage of at least two tracking accounts within one investment fund, wherein each tracking account has a different maximum leverage ratio, comprising:

receiving a contribution amount for each tracking account at the start of a trading cycle; and

calculating an allocation percentage of a trading account for each tracking account to account for profits and losses of the trading account over the trading cycle based on the leverage ratio of each tracking account and the contribution amount of each tracking account at the start of the trading cycle.

12. The method of claim 11, wherein calculating the allocation percentage comprises:

determining an initial percentage allocation of the trading fund for each tracking account at the start of the trading cycle based on the contribution amount of each tracking account at the start of the trading cycle;

apportioning profits and losses of the trading account over the trading cycle to each tracking account based on the initial percentage allocation;

determining a revised contribution amount for each tracking account based on the apportioned profits and losses; and

calculating the allocation percentage of the trading account based on the revised contribution amounts for each tracking account.

13. The method of claim 12, wherein calculating the allocation percentage of the trading account based on the revised contribution amounts for each tracking account comprises:

for each tracking account, multiplying the revised contribution amount by the maximum leverage ratio for each tracking account to determine a leveraged contribution for each tracking account;

summing the leveraged contribution for each tracking account; and

for each tracking account, dividing the leveraged contribution for the tracking account by the sum of the leveraged contributions for each tracking account.

14. The method of claim 13, further comprising, when one of the tracking accounts triggers a margin call from an external lender during the trading cycle, the investors of the tracking account on call contributing additional capital to the fund.

15. The method of claim 14, further comprising, calculating the allocation percentage of each tracking account intra-cycle, prior to the investors of the tracking account on call contributing additional capital to the fund.

16. The method of claim 13, further comprising, when one of the tracking accounts triggers a margin call from an external lender during the trading cycle, the fund liquidating assets from the trading account.

17. The method of claim 13, further comprising, when one of the tracking accounts triggers a margin call from an external lender during the trading cycle, calculating, prior to the end of the trading cycle, the allocation percentage of the trading account for each investor group.

18. A system for determining an allocation percentage of at least two tracking accounts within one investment fund, wherein each tracking account has a different maximum leverage ratio, comprising an allocation determination module for:

receiving a contribution amount for each tracking account at the start of a trading cycle; and

calculating an allocation percentage of a trading account of the investment fund for each tracking account to account for profits and losses of the trading account over the trading cycle based on the leverage ratio of each tracking account and the contribution amount of each tracking account at the start of the trading cycle.

19. The system of claim 18, wherein the allocation determination module is further for calculating the allocation percentage by:

determining an initial percentage allocation of the trading fund for each tracking account at the start of the trading cycle based on the contribution amount of each tracking account at the start of the trading cycle;

apportioning profits and losses of the trading account over the trading cycle to each tracking account based on the initial percentage allocation;

determining a revised contribution amount for each tracking account based on the apportioned profits and losses; and

calculating the allocation percentage of the trading account based on the revised contribution amounts for each tracking account.

20. The system of claim 19, wherein allocation determination module is further for calculating the allocation percentage of the trading account based on the revised contribution amounts for each tracking account by:

for each tracking account, multiplying the revised contribution amount by the maximum leverage ratio for each tracking account to determine a leveraged contribution for each tracking account;

summing the leveraged contribution for each tracking account; and

for each tracking account, dividing the leveraged contribution for the tracking account by the sum of the leveraged contributions for each tracking account.

21. A method of supporting at least two different investor groups with different maximum leverage ratios in one investment fund, wherein each investor group has an associated tracking account, the method comprising:

establishing one or more contractual arrangements between investors of the investor groups, the investment fund and an external lender, wherein loan proceeds from the external lender and contributions from each investor of the fund are invested through a trading account associated with the investment fund, and wherein the contractual arrangements limit the recourse of the external lender to assets allocable to the investors of an investor group if the trading account triggers a margin call on a loan from the external lender and the margin call is allocable to the investor group; and

calculating an allocation percentage of the trading account for each investor group to account for profits and losses of the trading account over the trading cycle based on the leverage ratio of each investor group.

22. The method of claim 21, wherein calculating the allocation percentage comprises:

determining an initial percentage allocation of the trading fund for each tracking account at the start of the trading cycle;

apportioning profits and losses of the trading account over the trading cycle to each tracking account based on the initial percentage allocation;

determining a revised contribution amount for each tracking account based on the apportioned profits and losses; and

calculating the allocation percentage of the trading account based on the revised contribution amounts for each tracking account.

23. The method of claim 22, wherein calculating the allocation percentage of the trading account based on the revised contribution amounts for each tracking account comprises:

for each tracking account, multiplying the revised contribution amount by the maximum leverage ratio for each tracking account to determine a leveraged contribution for each tracking account;

summing the leveraged contribution for each tracking account; and

for each tracking account, dividing the leveraged contribution for the tracking account by the sum of the leveraged contributions for each tracking account.